

Interior Health Overview & Project Update Report

Presentation to Okanagan Similkameen Regional Hospital District

Dan Goughnour– Corporate Director, Business Operations South
Jon Clare – Interim Executive Director Clinical Operations, South Okanagan

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Agenda

- IH Overview
- IH Capital process explained
- Current Project Updates
- 2023/24 Capital Funding Request
- Questions



IH Key Contacts



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South Okanagan Leaders



Lisa Danby

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Sara Evans

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Becky Miller

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Jana Abetkoff

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2022 QUICK FACTS

60 MUNICIPALITIES
54 FIRST NATION COMMUNITIES
15 MÉTIS CHARTERED COMMUNITIES
7 REGIONAL HOSPITAL DISTRICTS
7 DIVISIONS OF FAMILY PRACTICE
7 PRIMARY CARE NETWORKS

SERVING OVER
834,000
INDIVIDUALS ACROSS
THE SOUTHERN
INTERIOR OF B.C.

WITH A
BUDGET OF
\$3.1B

AND
COVERING OVER
215,000
SQ KILOMETRES

27,800+
ACTIVE MENTAL HEALTH
AND SUBSTANCE USE CLIENTS
served in community settings
each year

35,500+
HOME HEALTH CLIENTS
served in community settings
each year

10,900+
LONG-TERM CARE AND
ASSISTED LIVING RESIDENTS
in IH-owned and partner sites
served per year

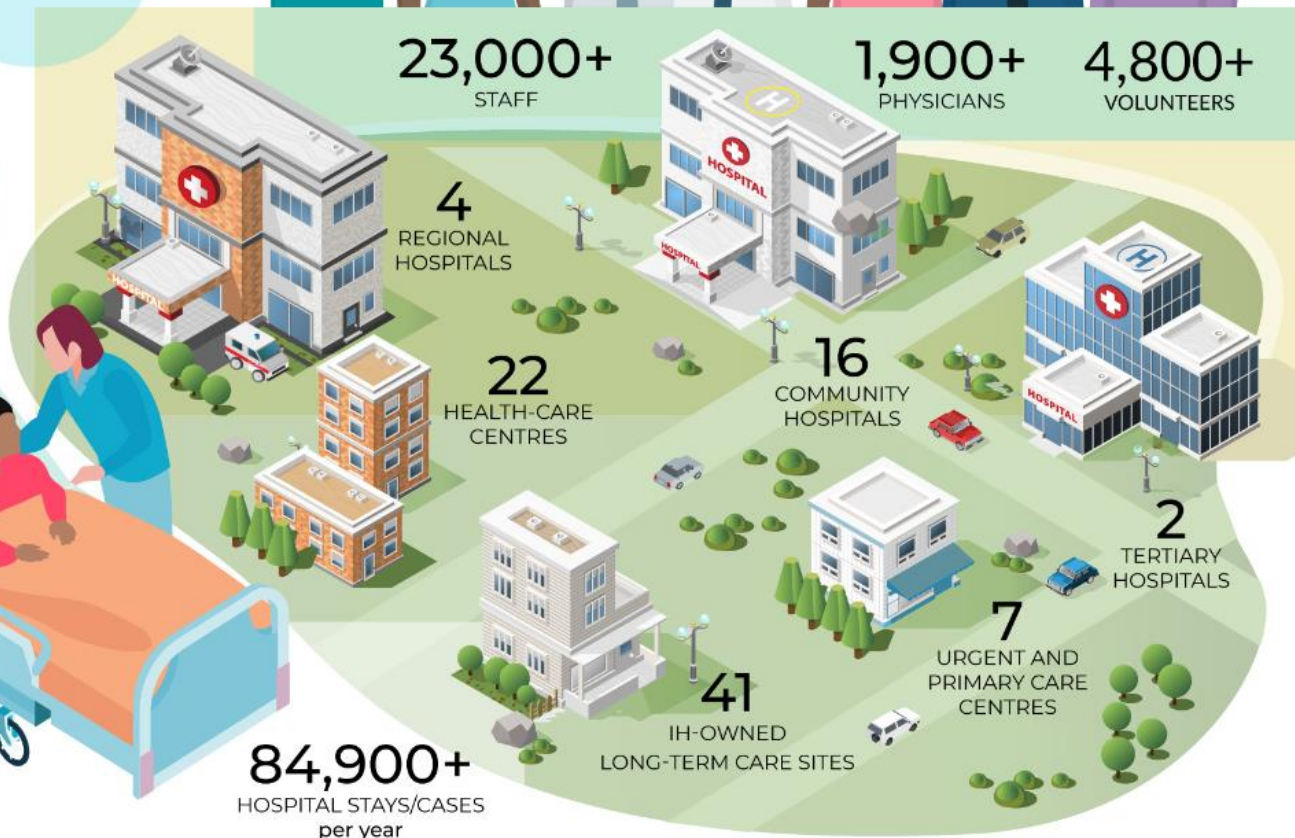
84,900+
HOSPITAL STAYS/CASES
per year



23,000+
STAFF

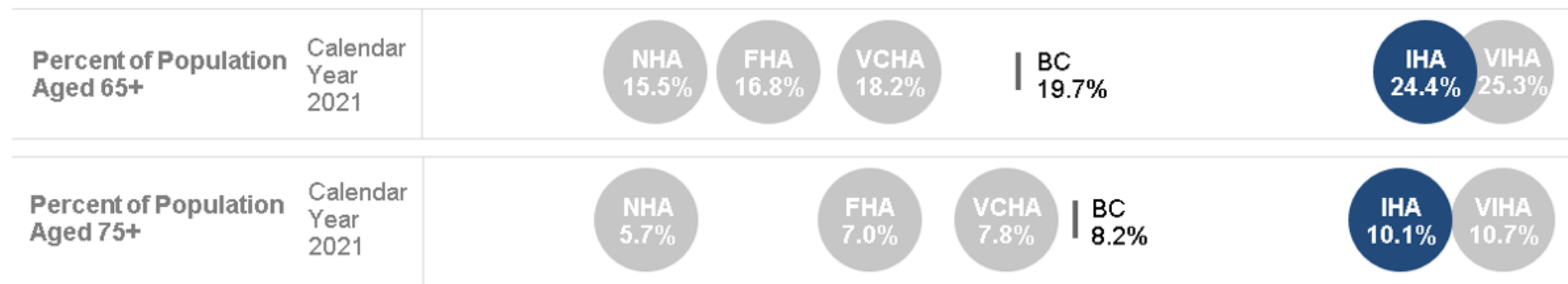
1,900+
PHYSICIANS

4,800+
VOLUNTEERS

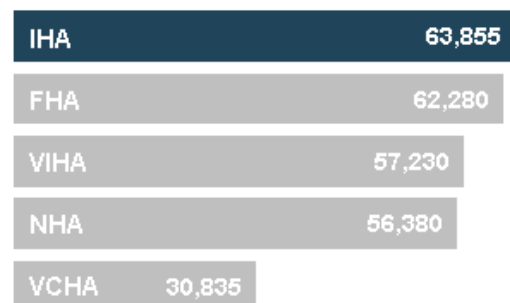


Population Context

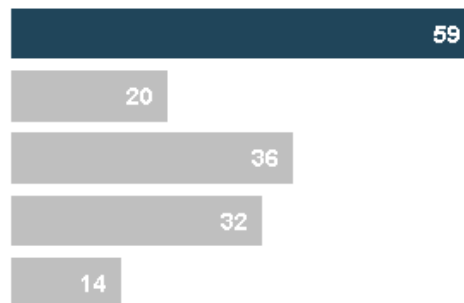
Older Population



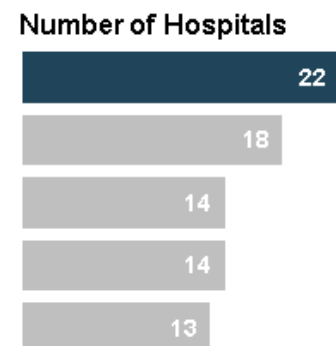
Largest Aboriginal Population



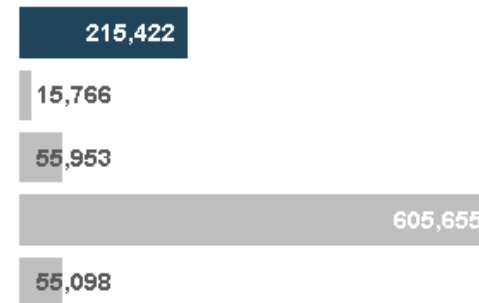
Most Communities Incorporated



Most Sites



Large Geography



Source: PEOPLE 2021, BC Stats



IH Capital Process Explained



Interior Health Ministry of Health Capital Funding Streams

Non Restricted Capital Grant (RCG) Allocation

> \$5,000 and < \$100,000
(annual allocation included in MoH funding letter)

Annual allocation, internally distributed based on IH-wide priorities and based on population for equipment

Prioritization processes consist of:

- Regional Capital Teams (based on RHD boundaries) – equipment & Capital Improvement projects
- IH-wide prioritization:
 - Corporate equipment
 - Vehicles
 - Plant Maintenance, Equipment & Capital Improvement Projects
 - Leasehold improvements
 - IMIT Tactical plan

Restricted Capital Grant (RCG) Allocation > \$100,000

Routine Capital Investments (RCI) *(amount varies annually)*

IMIT Projects

Building Projects

Equipment Projects

IH wide annual prioritization process by ***IH Capital Planning Steering Committee***

Approval provided by IH Board of Directors based on annual affordability

Approval provided by Ministry of Health

Priority Investments (PI) *(individual project approvals related to Ministry of Health strategies)* Limited funding available

Annual prioritization process based on scoring of Applications for Capital Projects over \$5m followed by SET review

Approval provided by IH Board of Directors for submission to Ministry of Health

Approval provided by Ministry of Health on a project by project basis

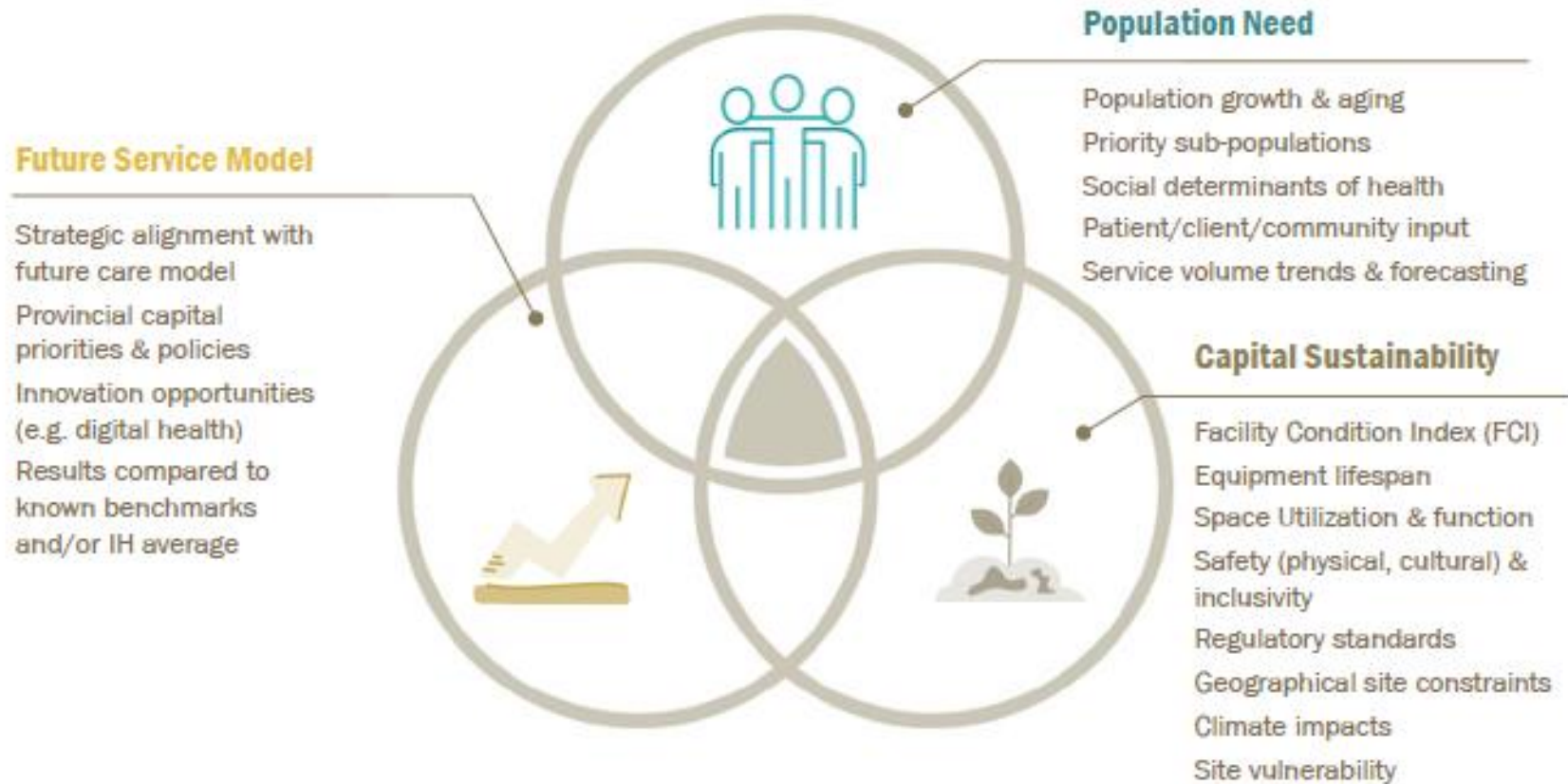


Other Funding Sources

- Regional Hospital Districts
 - IH will request up to 40% of total cost for majority of items included in our capital budget
- Hospital Foundations/Auxiliaries
 - Partially or fully fund specific items based on ability to fundraise



Key Drivers for Capital Investment



Capital Prioritization Challenges

- Demands on Capital Dollars
 - Aging infrastructure and equipment
 - Strategic priorities and service level growth
 - Climate change
 - Rising costs
- Limit on how far down the list we can go
- No proportional allocation by region, program or capital “grouping”
- Allocation based on priorities as presented



Projected Escalation 2022 - 2024

Projected escalation over the next three years

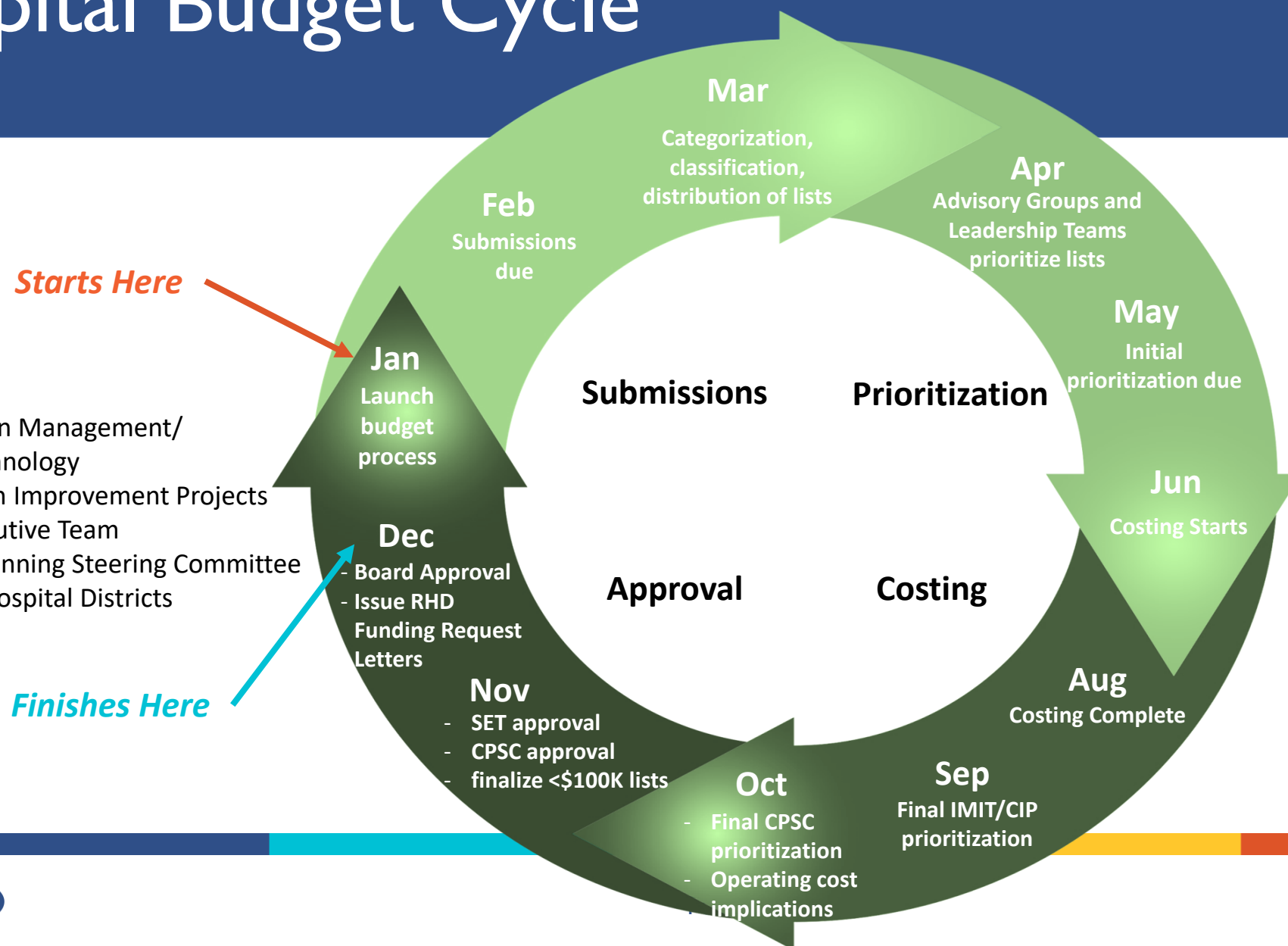
- 2022 – 2023: 14 to 16 %
- 2023 – 2024: 12 to 14 %
- 2024 – 2025: 10 to 12 %

Mitigation strategies:

- Match the delivery model to project complexity, schedule and risks;
- Assess market conditions and supply chain factors frequently and make informed decisions;
- Increased due diligence in procurement to consider contractor commitments, liquidity, and other factors.



Capital Budget Cycle

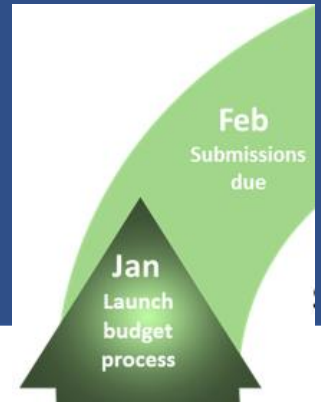


LEGEND

- IMIT**: Information Management/Information Technology
- CIP**: Construction Improvement Projects
- SET**: Senior Executive Team
- CPSC**: Capital Planning Steering Committee
- RHD**: Regional Hospital Districts



IH Capital Prioritization Process



- Annual review and prioritization cycle – 1 year in advance of funding availability
- Split into categories so more manageable and experts can inform prioritization decisions
 - Equipment – Under \$100K; Over \$100K
 - Capital/Maintenance Improvement Projects – Under \$100K; Over \$100K
 - Digital Health Projects (Information Technology)



IH Capital Prioritization Process



- Each category has a running list:
 - All historical equipment/projects for funding consideration
 - New capital requests made during the active submission window
- Committees that specialize in each program area and/or geographical region review lists and recommend priorities
- No target budget – “Top 10” priorities



IH Capital Prioritization Process



- Subject matter experts help inform prioritization by identifying urgency, risk, strategic alignment, population and service needs
 - Clinical Leaders (IH Clinical Managers and Physicians)
 - Biomedical Engineering
 - Plant Services
 - Capital Planning and Projects
 - Analytics
 - Finance
 - Regional Hospital Districts
 - Hospital Foundations/Auxiliaries
- Application of the IH Capital Strategic Framework and longer-term planning



IH Capital Prioritization Process



- Short-listed items are priced by:
 - PHSA Procurement (equipment)
 - IH Capital Planning and Projects (capital/maintenance improvement)
 - IH Digital Health (Information Technology)



IH Capital Prioritization Process



- With pricing complete, an *IH Capital Planning Steering Committee* does final review of priorities
- Match items against available budget
- Committee uses same principles and strategic framework in completing review

IH Capital Prioritization Process



- Final recommendations reviewed by IH Senior Executive Team and IH Board of Directors for sign-off and submission to Ministry of Health
- Funding request letters sent to Regional Hospital Districts

Major Priority Investment Projects > \$5M

- Priority Investment (PI) projects follow similar prioritization path as Routine Capital Investments (RCI)
 - Use same expertise
 - Use same strategic framework
 - Tracked on the same “master” capital lists
- PI projects also go thru more structured set of criteria to assess a formal “score”
- IH PI priorities sent to MoH separately for consideration



Major Priority Investment Projects > \$5M

- MoH directs IH on which PI Project(s) it supports, and
- Whether to proceed with Concept Planning and Business Planning
- Requires advanced discussion and planning with funding partners
 - High dollar value
 - Timing can occur between annual funding request cycles



Updates on Current Projects



Major Project Updates – Penticton

Project	Fiscal Year	Total Budget	RHDOS Contribution	Status Update
PRH Medical Vacuum System Replacement	2020/21	\$735,000	\$294,000	<ul style="list-style-type: none"> • Installation and commissioning is now complete (March 2022) • Project finished within budget
PRH CT Scanner (Additional)	2020/21	\$5,000,000	\$2,000,000	<ul style="list-style-type: none"> • <u>Project has experienced significant delays due to unforeseen challenges in designing the space, cost escalation requiring mitigation and project staff turnover</u> • The last design element (HVAC) is in progress and discussions for the start of demolition has begun • Revised project completion is now estimated as Dec 2023, 18 months delayed from original estimate
PRH Oncology Department Relocation and Expansion	2022/23	\$22,000,000	\$3,200,000	<ul style="list-style-type: none"> • Relocation and expansion of the oncology department at PRH • RFP for the design consultation is underway • Procurement for the design team is expected to be delayed by a few months • Current estimated completion is November 2024



Major Project Updates – Princeton

Project	Fiscal Year	Total Budget	RHDOS Contribution	Status Update
PGH Electrical Infrastructure Upgrade - Phase 1	2020/21 & 2021/22	\$2,300,000	\$920,000	<ul style="list-style-type: none">•<u>Project has experienced significant delays due to design consultant resource challenges and a requirement for additional review of the power systems configuration, resulting in significant scope change. The cost estimate is being updated to determine if a budget increase is required</u>•Design options have been finalized with Tender expected to be issued by March 2023•Anticipate a 12 month lead time for generator delivery, so revised timeline for completion now stands at April 2024



Major Project Updates – Summerland

Project	Fiscal Year	Total Budget	RHDOS Contribution	Status Update
Summerland Health Centre Boiler Replacement	2021/22	\$1,000,000	\$400,000	<ul style="list-style-type: none">•<u>Project is delayed due to cost pressures. We have an additional funding request for this project in our 2023/24 budget</u>•Design is 95% complete and is currently being evaluated by the IH team and external Quantity Surveyor for budget compliance.•Construction tendering for the project is imminent•Revised completion timeline is October 2023
Summerland Health Centre Emergency Generator Upgrade	2021/22	\$900,000	\$360,000	<ul style="list-style-type: none">•Project has been delayed due to the boiler replacement project above•Sequencing of the work is such that construction for this project is driven by progress on the boiler replacement project•Revised completion timeline is March 2024



2023/24 Capital Funding Request



Facility	Location	Project Description	Total Budget	RHD Share	Previous RHD Approval		2023/24 Funding Request
					Amount	B/L #	
		<u>Construction Projects over \$100,000</u>					
South Similkameen Health Centre	Keremeos	Primary Care Network	\$ 1,300,000	\$ 520,000			\$ 520,000
Sunnybank Retirement Centre	Oliver	Emergency Generator Upgrade	1,256,000	502,400			502,400
Osoyoos Health Centre	Osoyoos	Domestic Water Line Replacement	263,000	105,200			105,200
Princeton Health Centre	Princeton	Primary Care Network	2,000,000	800,000			800,000
Summerland Health Centre	Summerland	Boiler and Heat Pump Replacement	2,225,000	890,000	\$ 400,000	168	490,000
Summerland Health Centre	Summerland	Replacement of Roof Top Units	200,000	80,000			80,000
		<u>Construction Projects under \$100,000</u>					
South Similkameen Health Centre	Oliver	Dry System Corrosion Remediation (Phase 2)	90,000	36,000			36,000
Penticton Regional Hospital	Penticton	Dedicated Medication Room	80,000	32,000			32,000
		<u>IH-Wide Digital Health</u>					
Regional		Various	1,514,250	605,700			605,700
		<u>Equipment under \$100,000 (Global Grant)</u>					
All Facilities		Equipment between \$5,000 and \$100,000	996,000	398,400			398,400
TOTAL			\$ 9,924,250	\$ 3,969,700	\$ 400,000		\$ 3,569,700



Primary Care Network

- South Similkameen Health Centre – Keremeos
 - \$1.3M total budget; \$520K RHD Share
- Princeton Health Centre
 - \$2.0M total budget; \$800K RHD Share
- Renovations & equipment to create space for additional staff within existing IH facilities
- Support physicians in providing care to a greater population within the community



Infrastructure & Maintenance

- Sunnybank Long-term Care – Oliver
 - Emergency Generator Upgrade
 - \$1.3M total budget; \$500K RHD Share
- Summerland Health Centre
 - Boiler and Heat Pump Replacement
 - \$2.2M total budget; \$490K RHD Share
 - \$400K contribution on previous bylaw; \$890K RHD total



IH-Wide Digital Health

- Investments in:
 - Upgrade to Home Health and Long-term Care assessment tool
 - Continuation of expansion of primary and community care transformation systems
 - Continuation of expansion and improvements to MyHealthPortal
 - Systems to support advanced analytics to provide real-time actionable information for clinicians and management
 - Updates to infrastructure to expand system capacity and bolster cyber-security



A scenic landscape featuring a vineyard in the foreground, a town and a lake in the middle ground, and mountains in the background. The vineyard is lush green with rows of grapevines. The town is situated along the edge of a large blue lake. The mountains in the background are rugged and covered in sparse vegetation.

Thank You for Your Support



Questions